



Fannie Mae™

DU Version 10.0

**Redesigned Form 1003
Uniform Residential Loan Application (URLA)**

October 2016





DU Version 10.0

Release Date: Weekend of September 24, 2016

Provides more certainty and simplicity to lenders while expanding access to credit and sustainable homeownership for credit worthy borrowers.

- Enhanced credit risk assessment including the use of trended credit data.
- Automated underwriting of loans for borrowers with no traditional credit.
- Automated underwriting for borrowers with multiple financed properties.

Also

- HomeReady® Mortgage Message Updates
- Updates to Align with the *Selling Guide*
- Retirement of DU Version 9.2



Enhanced Credit Risk Assessment Including Use of Trended Credit Data

What is trended credit data?

Trended credit data provides historical information on the balance, scheduled payment, and actual payment made each month.

How will DU use trended credit data?

The DU risk assessment only uses the trended data on revolving credit card accounts and only for the most recent 24 months.

Trended data can only be seen on those accounts on which the creditor reported the data, so it may not be seen on all accounts and may be missing for months for which the data was not provided.



Trended Credit Data & The Loan Process

For loan casefiles underwritten through DU, lenders are **not** expected to analyze the trended data.

For manually underwritten loans or loans underwritten outside of DU, lenders **do not need** to analyze trended data or consider it in the underwriting and eligibility criteria.

The use of trended credit data **does not impact**

- The process for ordering and reissuing credit reports for use in DU
- What payment needs to be considered in the debt-to-income ratio (DTI) for the borrower's revolving account. The borrower may still be qualified with the minimum payment reflected on the credit report for their revolving accounts (even if they are paying more than that each month).
- The amount of the borrower's assets that need to be verified. The lender is not required to verify or update the balance of the borrower's revolving accounts, even if they consistently pay them off each month.
- Loan-level price adjustments (LLPAs) that apply at delivery because the classic credit score models do not use trended credit data.



The Power of Trended Credit Data in DU

- ✓ Improves the accuracy of DU's overall risk assessment

Fannie Mae used 3.7 million credit reports with trended data to conduct modeling and analytics to support a comprehensive review and redevelopment of DU's credit risk assessment. Including trended data materially improved modeling of loan performance.

For example



- ✓ Benefits borrowers who regularly pay off revolving debt (such as credit cards), increasing the likelihood that they will receive an Approve recommendation from DU.



Key Take-Aways for Trended Credit Data

- DU will use the trended data in its risk assessment.
- There is no impact to the eligibility guidelines for manually underwritten loans.
- No additional review of trended credit data by the lender is necessary.
- No impact to lender quality control processes regardless of underwriting method.
- Only applies to credit card accounts.



Underwriting for Borrowers with no Traditional Credit

DU helps lenders

- ✓ more efficiently serve borrowers who do not have a traditional credit history.
- ✓ reduce costs by automating and streamlining a previously manual and time-consuming underwriting process.

DU applies the following underwriting guidelines:

- Principal residence transaction where all borrowers will occupy the property
- One-unit property (may not be a manufactured home)
- Purchase or limited cash-out refinance transaction
- Fixed-rate mortgage
- Loan amount must meet the general loan limits (may not be a high-balance mortgage loan)
- LTV, CLTV, and HCLTV ratios may be no more than 90%
- Debt-to-income ratio must be less than 40%

Loan casefiles that do not meet these guidelines will receive an “Out of Scope” recommendation



Underwriting Borrowers without Traditional Credit

When a DU loan casefile is submitted and the credit report(s) show that no borrowers on the loan casefile have a credit score, DU will underwrite the loan and provide a recommendation.

Risk factors evaluated for borrowers who lack traditional credit histories:

- *Borrower's equity and LTV ratio*
 - *Liquid reserves*
 - *Debt-to-income ratio*
- When an Approve recommendation is received, the lender must document a 12-month pay history for at least two nontraditional credit sources for each borrower, **one of which must be housing-related.**
 - If DU does not issue an Approve, the lender may manually underwrite and document the loan according to the *Selling Guide*.



Underwriting Borrowers without Traditional Credit

Leverage DU for ease of underwriting by submitting all loans to DU as an initial pass, regardless of whether the borrower(s) has a credit score.

DU may issue an Approve/Eligible recommendation, **or** provide messaging to assist the lender in determining if the loan appears to be eligible for manual underwriting.

DU Version 10.0	Manual
All borrowers must occupy the property	Non-occupant borrowers are permitted
Max LTV/CLTV 90% Max DTI <40% Reserves determined by DU	Max LTV/CLTV 95% Max DTI ≤ 36% No minimum reserve requirement if at least one borrower can document a rental payment history (otherwise a minimum 12 months' reserves required)
2 sources of nontraditional credit * At least one source must be housing related	4 sources of nontraditional credit (3 sources for HomeReady®) * A housing related source is not required if additional reserve requirements are met
* Minimum 12 month history required for each source	



Underwriting Borrowers With and Without Traditional

Loan Casefiles for Borrowers with Credit Scores

Lenders may continue to use DU to underwrite loan casefiles that include a borrower(s) with traditional credit (a credit score) and a borrower(s) without traditional credit.

DU Version 10.0	Previously
Non-occupant borrowers are permitted	All borrowers must occupy the property
Borrower income from self-employment is permitted	Borrower income may not come from self-employment
Borrower with a credit score may contribute $\leq 50\%$ of qualifying income. *	Borrower with credit score must contribute $> 50\%$ of qualifying income.

* When the borrower(s) with the credit score is contributing 50% or less of the qualifying income on the loan casefile, the lender is required to document a minimum of two sources of nontraditional credit that has been active for at least 12 months for the borrower that does not have traditional credit, **one of which must be housing-related.**

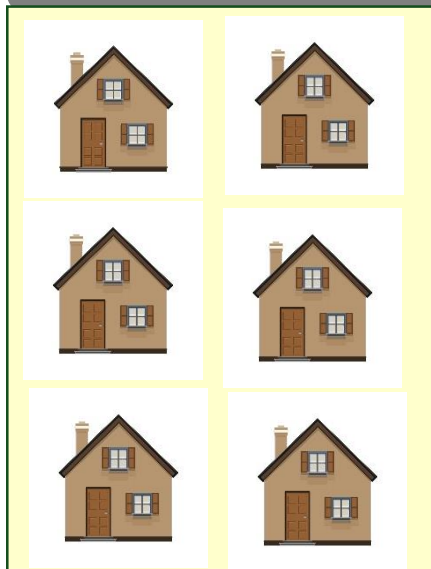


Borrowers with Multiple Financed Properties

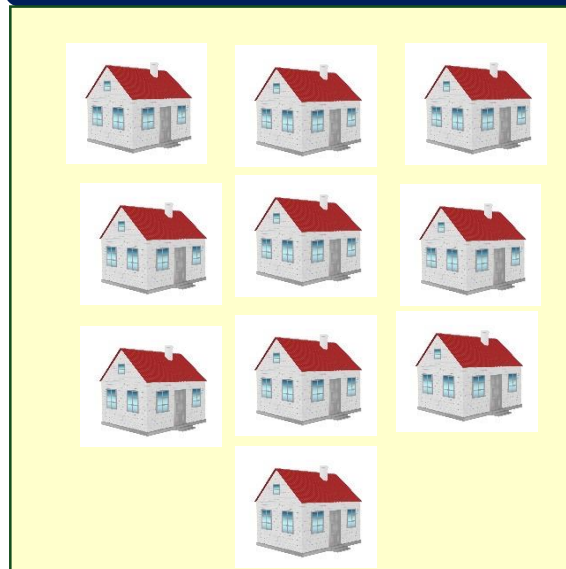
The multiple financed properties policy applies when a borrower is **financing a second home or investment property** and is currently obligated on other financed properties.

Maximum Number of Financed Properties

Manual



DU



Excluded Property:

- A vacant residential lot
- Manufactured home not titled as real estate
- Commercial real estate
- Ownership in a timeshare
- Multifamily properties (>4 dwelling units)



Multiple Financed Properties Policy

Policy Simplified

- ✓ Simplifying the definition of what is included in the financed property limit
applies to the number of one- to four-unit residential properties where the borrower is personally obligated on the mortgage(s).

- ✓ Simplifying eligibility requirements (both DU and manual)

LTV/CLTV/HCLTV has been expanded to align with standard eligibility.

Cash-out refinance transactions are eligible with 5-10 financed properties in DU.

- Manual underwriting limited to 5 -6 financed properties-

There are no additional credit score requirements for manually underwritten loans.

- For DU, the only remaining eligibility requirement is a minimum 720 credit score for borrowers with 7-10 financed properties -



Using DU For Borrowers with Multiple Financed Properties

- ✓ Increased DU support for a Simpler underwriting process for lenders and improved operational efficiency.

DU automates eligibility requirements and required reserves

Counts number of financed properties

A Number of Financed Properties field captures the number of financed one- to four-unit residential properties (including the subject transaction) for which the borrower(s) are personally obligated.

Automates reserve calculations

DU determines the reserves required for the other residential financed properties (those that are not the borrower's principal residence and not the subject property) by applying a specific percentage to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages and HELOCs disclosed on the loan application:

Applies minimum credit score when required

(minimum 720 credit score for borrowers with 7-10 financed properties)



DU Counts the Number of Financed Properties

DU uses the following approach in determining the number of financed properties that will be used in assessing the eligibility and reserve requirements:

1. When the Number of Financed Properties field is provided, DU will use that amount as the number of financed properties.
2. When the Number of Financed Properties field is not provided, DU will use the number of residential properties in the Real Estate Owned (REO) section that include a mortgage payment, or are associated to a mortgage or HELOC in the liabilities section of the loan application, as the number of financed properties.
3. When neither the Number of Financed Properties field nor the REO information has been provided, DU will use the number of mortgages and/or HELOCs disclosed in the liabilities section of the loan application as the number of financed properties.
4. When none of the information above is provided on the loan application, DU will use the number of mortgages and HELOCs disclosed on the credit report as the number of financed properties.

DU will issue a message to let you know what number was used as the Number of Financed Properties and where that information was obtained (new field, REO section, mortgage on application, or mortgages on credit report)



DU Automates Reserve Calculations

DU determines the reserves required for the other residential financed properties (those that are not the borrower's principal residence and not the subject property) by applying a specific percentage to the aggregate of the outstanding unpaid principal balance (UPB) for all mortgages and HELOCs disclosed on the loan application:

- Mortgages and HELOCs on the loan application will not be included in the aggregate UPB calculation if the liability is marked paid by close or omitted; or is associated to the subject property, the borrower's principal residence, or a pending sale or sold property. *DU will also include the UPB for any open/active mortgage or HELOC on the credit report that is not disclosed on the loan application.*
- If the loan casefile does not meet the reserve requirements, DU will issue an Ineligible recommendation and a message will be issued letting the lender know the reserve requirement was not met.



Reserve Requirements For Borrowers with Multiple Financed Properties

Subject Property
Second Home Or
Investment Property



- 2 months PITIA for a second home
- 6 months PITIA for an investment property.

Principal Residence



- MFP requirements do not apply

**Other Financed
Properties**



- 2% of the aggregate UPB (Total Financed Properties ≤ 4)
- 4% of the aggregate UPB (Total Financed Properties >4 to 6)
- 6% of the aggregate UPB (Total Financed Properties >6 to 10) *Only eligible in DU*



Multiple Financed Properties

How to leverage DU for ease of underwriting;

- Submit all loans to DU as an initial pass to assess borrower eligibility with regard to multiple financed properties.
- DU messaging will state what information DU used to determine the number of financed properties and related reserves requirements.
- The initial DU count may be too high (or too low) and may impact borrower eligibility. In those cases, complete the additional field or the REO section to ensure a more accurate count.



HomeReady Mortgage Message Updates

✓ Provides clearer messaging on HomeReady eligibility

Borrower Authorization for Counseling Message Removal (SEL-2015-13)

- The servicer requirement to provide the *Borrower's Authorization for Counseling* form was eliminated. The message reminding lenders of the form requirement will be removed.

HomeReady Eligibility Messages

- A new message will be issued when a loan casefile is submitted as HomeReady and receives an Approve/Eligible recommendation that will simply state that the loan casefile is eligible as a HomeReady mortgage loan.
- The message issued when a loan casefile is not submitted as HomeReady and it appears it may be eligible for HomeReady will now only be issued on Approve/Eligible recommendations, and will be moved from the Verification section to the Risk/Eligibility section of the DU Underwriting Findings report.

Non-borrower Household Income Message Update

- The non-borrower household income verification message will be updated to include the amount of non-borrower household income disclosed on the online loan application.



Updates to Align with the *Selling Guide*

✓ Ensuring DU messages match the Selling Guide

High-balance Mortgage Loan Field Review Requirement (SEL-2015-10)

New message will remind lenders of requirement for a field review on two- to four-unit high-balance mortgage loans where

- the purchase price or appraised value is \$1,000,000 or more and
- the LTV, CLTV, or HCLTV exceeds 75%.

Miscellaneous message text changes

Various DU messages will be updated in order to provide clarity and consistency with the Selling Guide.

Retirement of DU Version 9.2

- Loan casefiles created prior to December 12, 2015 would have been underwritten with DU Version 9.2.
- Customers will no longer be able to resubmit loan casefiles to DU Version 9.2.
- Customers will be able to view online loan applications and DU Underwriting Findings reports.
- To obtain an updated underwriting recommendation, create a new loan casefile and submit it to DU (will be underwritten with the most recent version).



Support and Resources

Lender Announcements and Letters

<https://www.fanniemae.com/singlefamily/originating-underwriting>

Desktop Underwriter Release Notes and Frequently Asked Questions

<https://www.fanniemae.com/singlefamily/desktop-underwriter>

DU Version 10.0 Online Presentation

Trended Credit Data Infographic

https://www.fanniemae.com/content/fact_sheet/desktop-underwriter-trended-data.pdf



Trended Credit Data Commentary

<http://www.fanniemae.com/portal/about-us/media/commentary/index.html>

Learning Center: Originating and Underwriting

<https://www.fanniemae.com/singlefamily/originating-underwriting-learning-center>

1-800-2FANNIE call center menu <https://www.fanniemae.com/content/tool/call-center-menu.pdf>

FannieMae Creating Opportunities. Together.

TRENDED CREDIT DATA and DESKTOP UNDERWRITER® (DU®)

Fannie Mae's Desktop Underwriter (DU®) is the industry leading automated underwriting system. For more than 20 years, DU has provided lenders a comprehensive risk assessment that determines whether a loan meets Fannie Mae eligibility requirements. DU's evaluation is fair and objective, applying the same criteria to every mortgage loan application it considers. Effective with Version 10.0, DU will use trended credit data in its credit risk assessment.

WHAT IS TRENDED CREDIT DATA?

Trended credit data is expanded information on a borrower's credit history at a trade line (credit line) level on several monthly factors, including amount owed, minimum payment, and payment mode.

- Maria pays her balance off monthly or at least pays more than the minimum amount due.
- John makes only the minimum payment due almost every month.

Assuming John and Maria's credit histories and loan characteristics are otherwise about the same, Maria will be considered a lower credit risk in DU's risk assessment.

WHY DOES THE USE OF TRENDED CREDIT DATA MATTER?

- Trended data allows a smarter, more thorough analysis of the borrower's credit history.
- helps creditworthy borrowers obtain access to mortgage credit and sustainable homeownership.

HOW WILL TRENDED CREDIT DATA IMPACT DU VERSION 10 APPROVALS?

- Including trended credit data will improve the accuracy of DU's credit risk assessment.
- benefit borrowers who regularly pay off their revolving debt.

The overall percentage of loans that receive an Approve/Right recommendation is expected to remain relatively stable.

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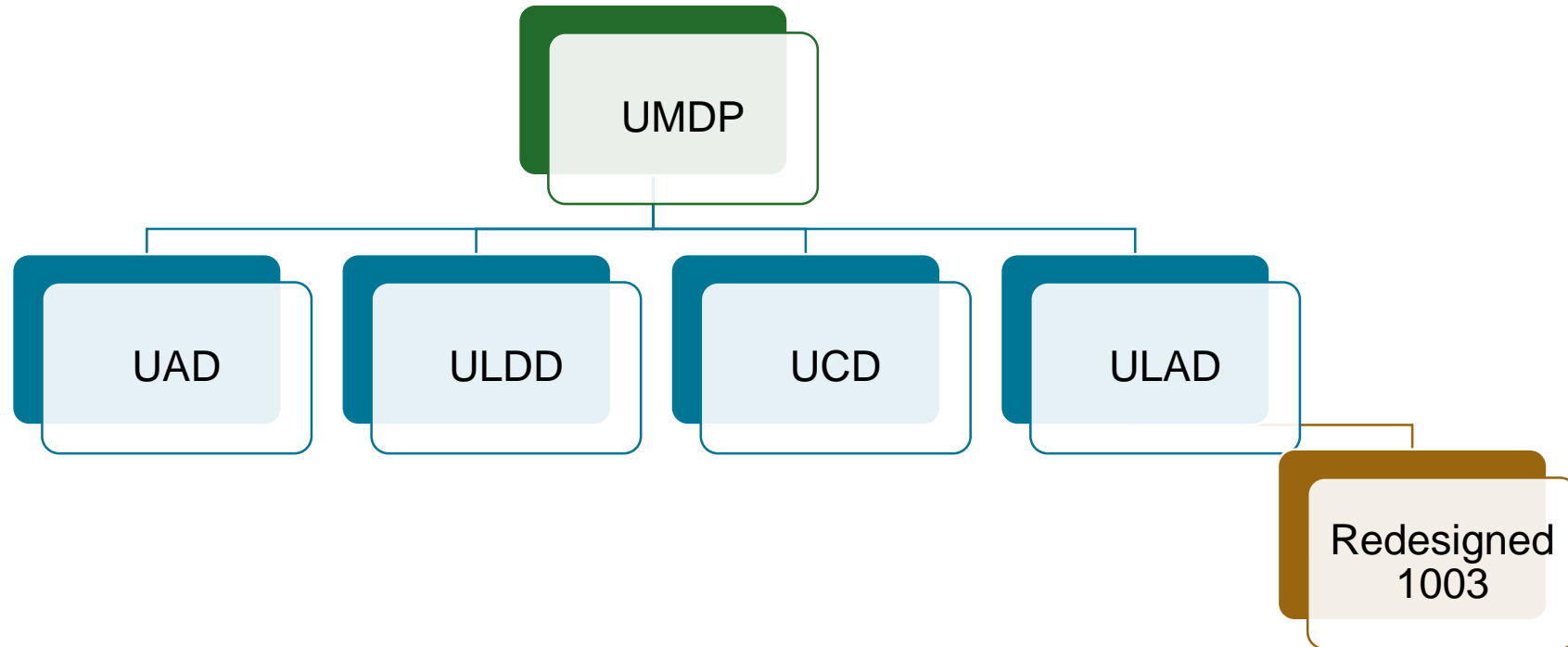
Fannie Mae Form 1003

Building Awareness of the Uniform Residential Loan Application Redesign



Redesigned URLA Overview

The URLA redesign and the development of Uniform Loan Application Dataset (ULAD) is a component of the Uniform Mortgage Data Program (UMDP) and aligns with the UMDP's focus on enhancing data quality, consistency, and clarity to strengthen the loan manufacturing process.





ULAD initiative and Related Efforts

ULAD

- Creation of a dataset based on MISMO® Version 3.4 that maps to the URLA
 - Provides lenders and technology solution providers with data mapping information enabling MISMO-compliant implementation of URLA data in industry supporting systems

URLA

- Introduction of the redesigned URLA (*Fannie Mae Form 1003*)
 - Addresses industry changes, including GSE-policy and HMDA changes
 - Launched on August 23, 2016

AUS

- Implementation and collection of the ULAD through Desktop Underwriter®
 - No separate collection mechanism for the URLA



Why are We Introducing ULAD and Redesigning the URLA ?

ULAD

Enhance data quality

- Each redesigned URLA field is associated with the most recent MISMO data standard (v3.4).
- Data consistency will improve data quality throughout mortgage lifecycle.
- Enable more efficient data sharing among industry participants.

Improve risk assessment

- More robust and granular data will enhance fraud analysis and provide greater certainty.

AUS

URLA

Improve market relevance

- The Uniform Residential Loan Application (URLA) has not materially changed in 20+ years and does not reflect recent industry changes.
- Removed fields no longer used for borrower qualification; added information to support underwriting.



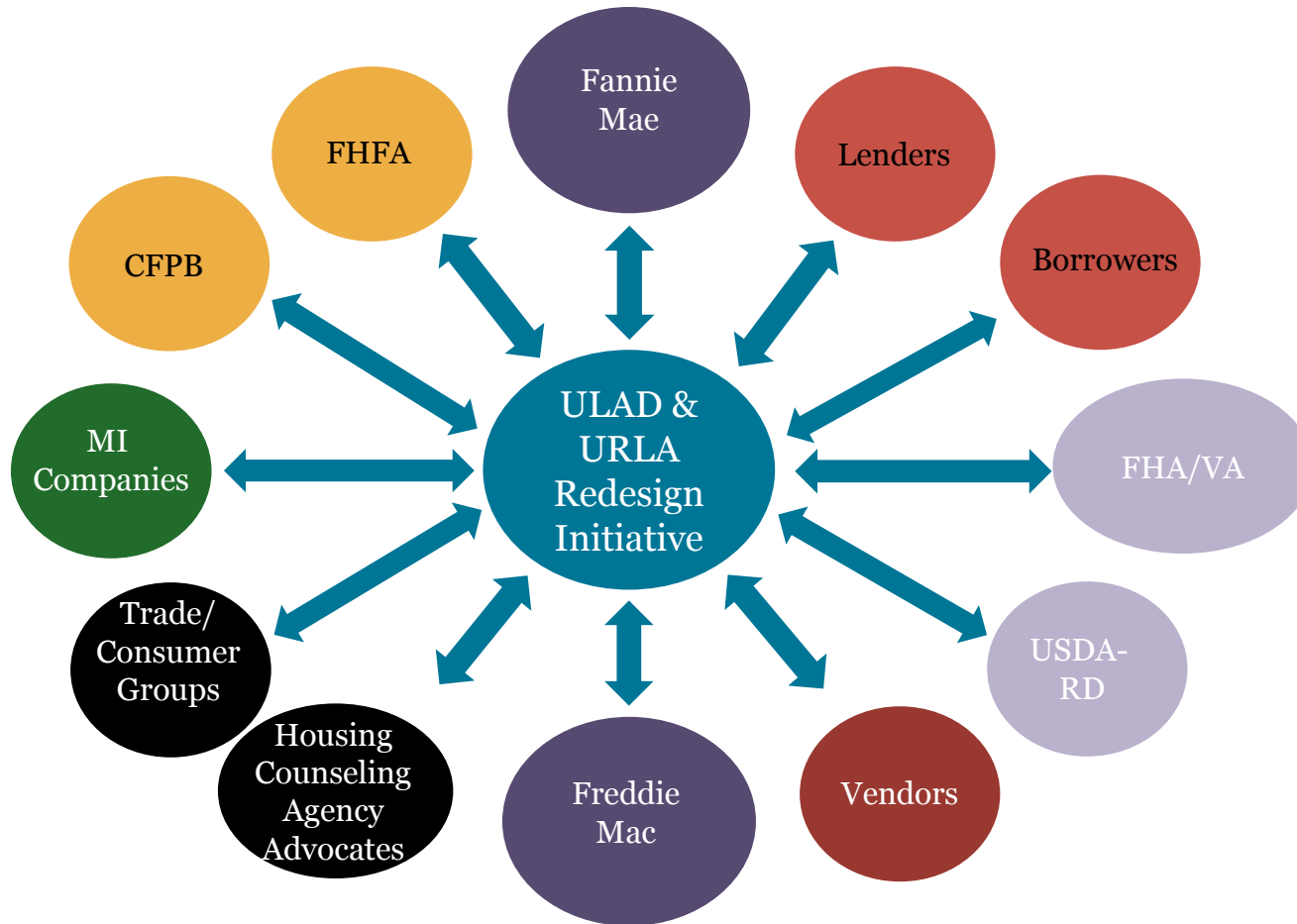
Increase clarity and understanding

- The redesigned URLA is more consumer-friendly and easier for borrowers to understand.
- Design of URLA was aligned with Loan Estimate and Closing Disclosure for a consistent feel.



Industry Outreach

Collaboration with industry stakeholders has been a critical on-going activity throughout the project



Outreach Includes:

- ✓ Data Survey
- ✓ Inter-agency meetings
- ✓ Usability Testing
- ✓ MISMO Collaboration
- ✓ Meetings with the Trades (e.g. MBA)
- ✓ Webinars
- ✓ Conference Presentations



Redesigned Form 1003 Provides a Better Experience

Borrower Benefit

Easier to Complete and Review

- Ease of use scores from borrowers were twice that of the current form
- Improves form navigation and adds white space and larger font
- Clearly shows borrowers the information used to qualify for a loan

Simplifies the Application Process

- Separates borrower and lender provided information
- Easier for borrowers to complete the form with minimal lender intervention
- Separate borrower sections grant greater privacy to multiple borrowers

Lender Benefit

More Relevant

- Features new and updated information reflecting both GSE and other Agency policy and industry changes.
- Removes information no longer used to qualify the borrower (e.g., auto make and model, and borrower years of school)

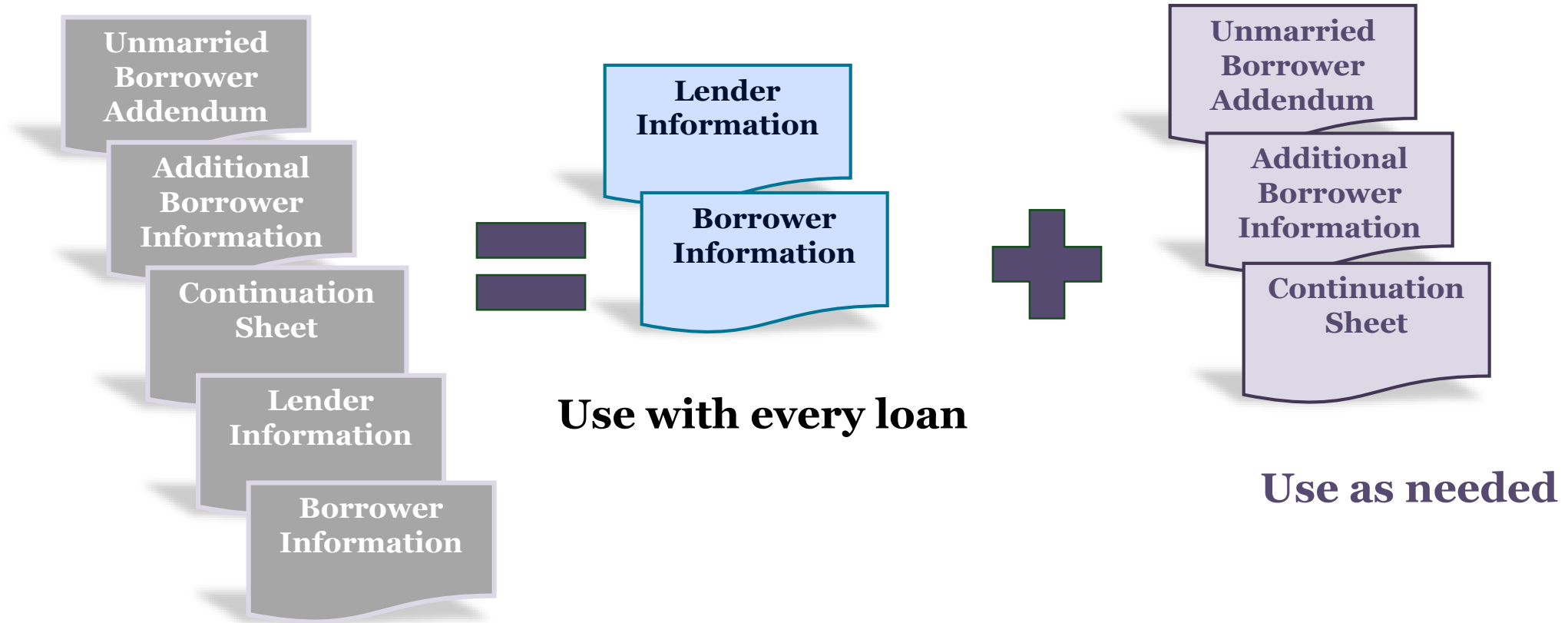
Easier to Use

- Flexible – acknowledges that not all loan applications are the same
- Displays information in an easier to read and complete format
- Simple process to add or remove someone from a loan application
- Clearly separates borrower and lender provided information
- Includes standard terms and definitions to promote common understanding



URLA Redesign – 5 Flexible Components

Component Design Provides Maximum Flexibility ...





URLA Redesign – Dynamic URLA and Rendering Document

A Dynamic URLA and the URLA Rendering Document allows lenders and vendors the opportunity to offer customization and flexibility of the URLA to their customers

The Dynamic URLA form accommodates one or two borrowers with variable appearance and length and gives users the ability to collapse sections that do not apply, add table rows to meet the unique requirements of each application, includes drop down menus, and calculates section totals.

The Rendering Document describes form rendering design options and flexibilities applicable to the URLA.



Dynamic URLA



URLA
Rendering
Document



URLA Design & Structure – Rendering Options

Flexibility guidelines for the design and construct of the URLA:

- **Font Style & Size**
- **Text Format**
 - Dashes
 - Underlining under text
- **Title/Heading Tabs**
 - Squared
 - Shaded
- **Section Expansion and/or Collapsibility**
- **Page Size**
 - Letter
 - Legal

Rendering Options for the Uniform Residential Loan Application (URLA)	
<i>This document outlines the rendering options and flexibilities for changing the style and formatting of the redesigned URLA and its components – Additional Borrower Information, Unmarried Addendum, Continuation Sheet, and Lender Loan Information. Lenders and Vendors may vary the overall look of the URLA based on the style options described in this document.</i>	
Overall Style Options	
Font	<ul style="list-style-type: none"> • Font style and font size can be changed. <ul style="list-style-type: none"> - Current font style used – Myriad Pro - Current font size used – 9pt. • Font size of at least 9 pt. is recommended. <p><i>Note: Changes to font style or size can affect the length of the form.</i></p>
Text Format	<ul style="list-style-type: none"> • Dashes and slashes on text, number, and date fields can be removed or replaced. • Underlining under text is optional and can be removed. • Text wrapping feature can be changed. <p><i>Note: Text wrapping is recommended. The wording on the form cannot be altered in any way.</i></p>
Title/Heading Tabs	<ul style="list-style-type: none"> • Tabs can be squared, rounded, or removed. • Shading is optional.
Sections	<p>The following sections can be expanded to capture additional information, collapsed or hidden when it is not applicable:</p> <ul style="list-style-type: none"> - 1c. IF APPLICABLE, Complete Information for Additional Employment/Self-Employment and Income - 1e. Income from Other Sources - 2a. Assets – Bank Accounts, Retirement, and Other Accounts You Have - 2b. Other Assets You Have - 2c. Liabilities – Credit Cards, Other Debts, and Leases that You Owe - 2d. Other Liabilities and Expenses - 3b. IF APPLICABLE, Complete Information for Additional Property - 4d. Gifts or Grants You Have Been Given or Will Receive for this Loan <p><i>Note: When "Does not apply" has been selected for a section and a list of valid options is provided, the list cannot be collapsed/hidden.</i></p>
Page size	<ul style="list-style-type: none"> • Pages may be presented or printed in letter or legal size.
Page numbering	<ul style="list-style-type: none"> • Page numbers can be added.
Page shading	<ul style="list-style-type: none"> • Lender-completed fields/sections are shaded in light gray, which can be removed or changed, as needed.
Tables	<ul style="list-style-type: none"> • Tables can be structured on the form to accommodate system capabilities. • Nested tables can be readjusted or removed, as needed, as long as the content is presented in the same location on the form.
Check boxes, radio buttons	<ul style="list-style-type: none"> • Selection items can be structured on the form to accommodate system capabilities. The published forms use the following with industry standards for data collection:

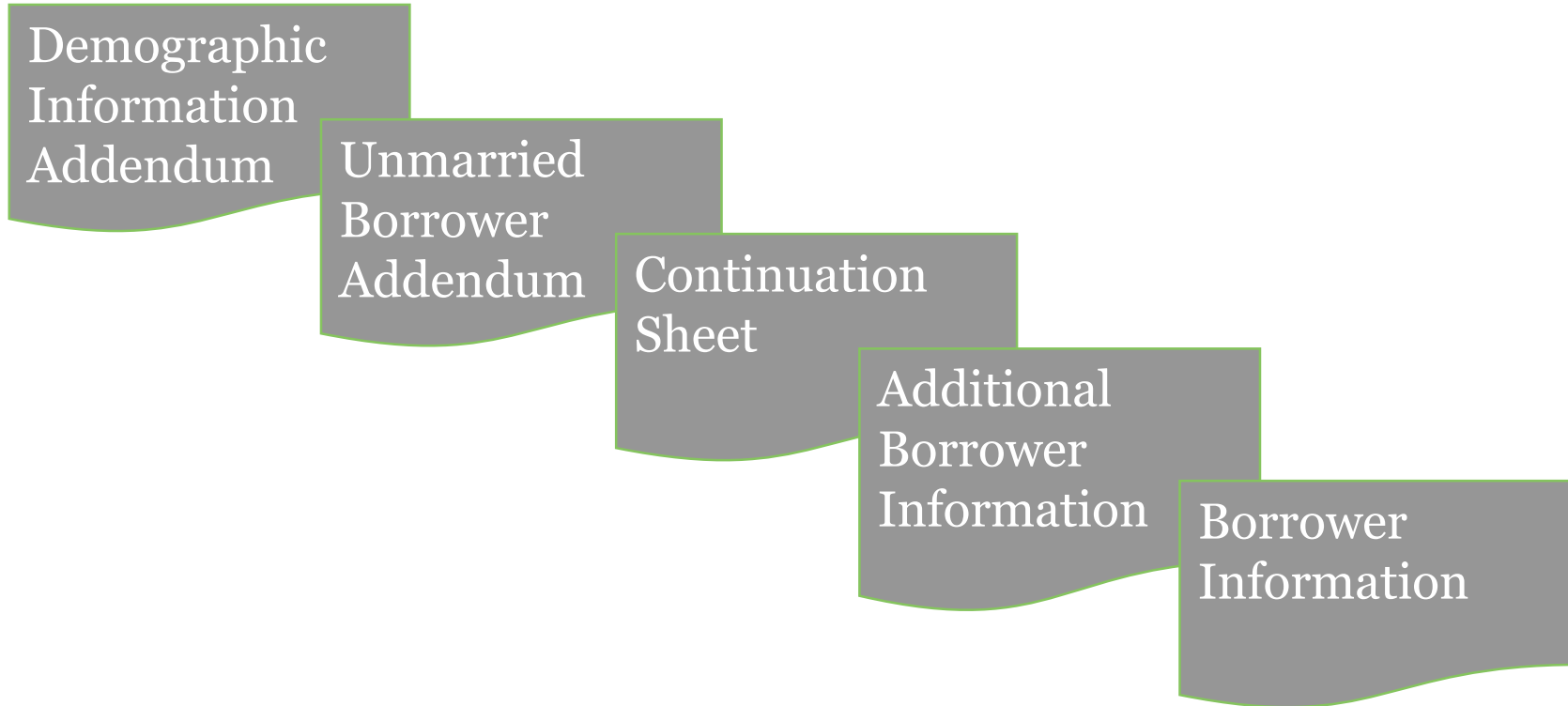
- **Page Numbering**
- **Page Shading**
 - Lender Fields/Sections
- **Tables**
 - Nested Tables
- **Check Boxes and Radio Buttons**
- **Barcode Recognition**
- **State Disclosures**

Note: The field names, descriptions, order of the sections, and data fields within the sections may not be altered in any way.



URLA Redesign – Spanish Translation Aid

The Spanish Translation Aid is a non-executable URLA form translated in Spanish to assist Spanish-speaking borrowers with completing and understanding the form that will help improve the homeownership process for Spanish speaking borrowers





Example 1: Redesigned URLA Borrower Section

Larger Font

More White Space

Easier to read and enter information

More Clarity on Multiple Borrowers

More Clarity on Current and Previous Housing

Additional Contact Information

New Military Service Questions

Section 1: Borrower Information. This section asks about your personal information and your income from employment and other sources, such as retirement, that you want considered to qualify for this loan.

1a. Personal Information

Name (First, Middle, Last, Suffix) _____

Alternate Names – List any names by which you are known or any names under which credit was previously received (First, Middle, Last, Suffix) _____

Social Security Number _____
(or Individual Taxpayer Identification Number)

Date of Birth (mm/dd/yyyy) ____/____/____

U.S. Citizen
 Permanent Resident Alien
 Non-Permanent Resident Alien

I am applying for individual credit.
 I am applying for joint credit. Number of Borrowers: _____
Each Borrower agrees to apply for joint credit. *Your initials:* _____

List Name(s) of Other Borrower(s) on This Application (First, Middle, Last, Suffix) _____

Marital Status
 Married
 Separated
 Unmarried*
**Single, Divorced, Widowed, Civil Union, Domestic Partnership, Registered Reciprocal Beneficiary Relationship*

Dependents (not listed by another Borrower)
Number _____
Ages _____

Contact Information
Home Phone () - _____
Cell Phone () - _____
Work Phone () - _____
Email _____

Current Address
Street _____ Unit # _____ City _____ State _____ Zip _____
How Long at Current Address? ____ Years ____ Months Own Rent (\$ _____ /month) No primary housing expense

If at Current Address for LESS than 2 years, list Former Address Does not apply
Street _____ Unit # _____ City _____ State _____ Zip _____
How Long at Former Address? ____ Years ____ Months Own Rent (\$ _____ /month) No primary housing expense

Mailing Address – if different from Current Address Does not apply
Street _____ Unit # _____ City _____ State _____ Zip _____

Military Service – Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces? NO YES
If YES, please specify:
 Currently serving on Active Duty with projected expiration date of service/tour ____/____ (mm/yyyy)
 Currently retired, discharged, or separated from service
 Only period of service was as a non-activated member of the Reserve or National Guard
 Surviving Spouse



Example 2: Redesigned URLA Borrower Employment Section

1b. Current Employment and Income

Does not apply

Employer or Business Name _____ Phone (____) ____ - _____
 Address _____
 City _____ State _____ Zip _____

Position or Title _____
 Start Date ____ / ____ (mm/yyyy)
 How long in this line of work? ____ Years ____ Months

Check if this statement applies:
 I am employed by a family member, property seller, real estate agent, or other party to the transaction.

Check if you are the Business Owner or Self-Employed
 I have an ownership share of less than 25%.
 I have an ownership share of 25% or more. Monthly Income (or Loss) \$ _____

Gross Monthly Income	
Base	\$ _____ /month
Overtime	\$ _____ /month
Bonus	\$ _____ /month
Commission	\$ _____ /month
Military Entitlements	\$ _____ /month
Other	\$ _____ /month
TOTAL	\$ _____ /month

- Clear data requirements for self-employed borrowers
- Greater transparency into borrower's monthly income
- Flexibility to repeat or collapse sections as applicable to the transaction



Example 3: Redesigned URLA – Assets Section

- Assets and Liabilities are in separate sections for greater flexibility
- More guidance on types of assets and how to enter the information on the form
- Greater clarity on the kinds of assets a borrower may have
- Ability to add as many assets as needed
- Ability to indicate a borrower does not have additional assets

Section 2: Financial Information — Assets and Liabilities.

This section asks about things you own that are worth money and that you want considered to qualify for this loan. It then asks about your liabilities (or debts) that you pay each month, such as credit cards, alimony, or other expenses.

2a. Assets — Bank Accounts, Retirement, and Other Accounts You Have

Include all accounts below. Under Account Type, choose from the account types listed here:

- Checking
- Certificate of Deposit
- Stock Options
- Bridge Loan Proceeds
- Trust Account
- Savings
- Mutual Fund
- Bonds
- Individual Development Account
- Cash Value of Life Insurance (used for the transaction)
- Money Market
- Stocks
- Retirement

+/-	Account Type - use list above	Financial Institution	Account Number	Cash or Market Value
-	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
-	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
+	Provide TOTAL Amount Here			\$ <input type="text"/>

2b. Other Assets You Have Does not apply

Include all other assets below. Under Asset Type, choose from the asset types listed here:

- Earnest Money
- Proceeds from Real Estate Property to be sold on or before closing
- Employer Assistance
- Trade Equity
- Proceeds from Sale of Non-Real Estate Asset
- Sweat Equity
- Rent Credit
- Unsecured Borrowed Funds
- Secured Borrowed Funds
- Other

+/-	Asset Type - use list above	Cash or Market Value
-	<input type="text"/>	\$ <input type="text"/>
-	<input type="text"/>	\$ <input type="text"/>
+	Provide TOTAL Amount Here	



Example 4: Revised URLA - REO Section

Section 3: Financial Information — Real Estate. This section asks you to list all properties you currently own and what you owe on them. *I do not own any real estate*

Borrowers can indicate no real estate owned

3a. Property You Own If you are refinancing, list the property you are refinancing **FIRST**.

Address
 Street Unit # City State Zip

Property Value	Status: Sold, Pending Sale, or Retained	Monthly Insurance, Taxes, Association Dues, etc. Not Included in Mortgage Payment	For Investment Property Only	
			Monthly Rental Income	For LENDER to Calculate: Net Monthly Rental Income
\$ <input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

Borrowers can enter HELOC information

Mortgage Loans on this Property *Does not apply*

Creditor Name	Account Number	Monthly Mortgage Payment	Unpaid Balance	To be paid off at or before closing	Type: FHA, VA, Conventional, USDA-RD, Other	Credit Limit (if applicable)
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>

Borrowers can indicate debt free real estate owned

Borrowers can enter HELOC information

Simplifies Net Rental Income by allowing Borrowers to enter their gross rents, and Lenders can calculate investment property rent for qualifying purposes



HMDA Demographic Information

Options:

Use the current URLA 7/05 (revised 6/09) with following stipulations:

- Required to put an 'X' or 'shade out' the **Information for Government Monitoring Purposes** section
 - Add the Demographic Information Addendum page; **OR**
 - CFPB's Attachment A – Sample Data Collection Form; **OR**
 - Lender Custom Form with the new Demographic Information fields

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS	
j. Subordinate financing		If you answer "Yes" to any question a through i, please see continuation sheet for explanation.	
k. Borrower's closing costs paid by Seller		f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee?	
l. Other Credits (explain)		g. Are you obligated to pay alimony, child support, or separate maintenance?	
m. Loan amount (exclude PMI, MIP, Funding Fee financed)		h. Is any part of the down payment borrowed?	
n. PMI, MIP, Funding Fee Financed		i. Are you a co-maker or endorser on a note?	
o. Loan amount (add in a)	0.00	j. Are you a U.S. citizen?	
p. Cash from/to Borrower (subtract j, k, l & o from i)		k. Are you a permanent resident alien?	
IX. ACKNOWLEDGEMENT AND AGREEMENT		l. Do you intend to occupy the property as your primary residence?	
Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, since that (1) the information provided in this application is true and correct as of the date set forth opposite any signature and that any intentional or negligent misstatements in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation contained herein including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, or any other Federal law; (2) the "Loan" will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited application as made for the purpose of obtaining a residential mortgage loan; (4) the property will be occupied as indicated in this application; (5) the return of the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors or assigns rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of it should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicer, successors or assigns that it may have to take any action relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the property may be transferred with such notice as may be required by law; (10) use the Lender and its agents, brokers, insurers, servicers, successors or assigns or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic" or those terms as defined in applicable federal and/or state laws (including audio and video recordings), or any facsimile transmission of this application or effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.		m. Have you had an ownership interest in a property in the last three years? (1) What type of property did you own—principal residence (PR), second home (SH), or investment property (IP)? (2) How did you hold title to the home—by yourself (S), jointly with your spouse (SP), or jointly with another person (JP)?	
Borrower's Signature		Date	Co-Borrower's Signature
X			X
X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES			
The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may check the information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check any ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you wish to furnish the information, please check the box below. (Lender must review the above information to assure that the disclosures satisfy all requirements state law for the particular type of loan applied for.)			
BORROWER		CO-BORROWER	
I do not wish to furnish this information <input type="checkbox"/>		I do not wish to furnish this information <input type="checkbox"/>	
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino		Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White		Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male		Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	
This information was provided:			
<input type="checkbox"/> In a face-to-face interview			
<input type="checkbox"/> In a telephone interview			
<input type="checkbox"/> By the applicant and submitted by fax or mail			
<input type="checkbox"/> By the applicant and submitted via e-mail or the Internet			
Loan Originator's Signature		Date	
X			
Loan Originator's Name (print or type)		Loan Originator Identifier	Loan Originator
Loan Origination Company's Name		Loan Origination Company Identifier	Loan Origination

Lenders are required to start collecting the Demographic Information for new loan applications starting on January 1, 2018.



Timing and Next Steps

2016

2017 and beyond ...

8/23/2016

9/20/2016

9/23/2016

1/1/2018

TBD



Published:

- Interactive URLA
- URLA Instructions
- Demographic Information Addendum
- ULAD Mapping
- Refinance/Purchase Examples
- FAQs

Published:

- Dynamic URLA
- Spanish Translation Aid
- Rendering Document
- AUS Specifications for DU and LPA
- Updated ULAD Mapping

- CFPB grants Safe Harbor to redesigned URLA

- HMDA Effective Date
- Current URLA must be updated with Demographic Information Addendum or CFPB's Sample Form

- URLA Required Usage/ GSE AUS Specification Mandate Date

Go to Market Activities and Pre-Publication Industry Awareness

Industry Education, Training, & Implementation Support

Don't Forget...



The redesigned URLA is not for current use – we will work with industry to help shape the implementation timeline and mandate



What you should be doing now to prepare...

PLAN: Start planning for the collection of the Demographic Information for new loan applications starting on 1/1/2018.

- Options include: Use the current URLA 7/05 (revised 6/09) with following stipulations:
 - Required to put an '**X**' or 'shade out' the ***Information for Government Monitoring Purposes*** section
 - Add the Demographic Information Addendum page; OR
 - CFPB's Attachment A; OR
 - Lender Custom Form with the new Demographic Information fields

IDENTIFY: Identify any additional data that you do not currently collect.

CONTACT: If you use technology service provider, reach out to them to ensure they received a copy of the Demographic Information addendum.



For More Information

📄 Visit the Fannie Mae's URLA web page at:
www.fanniemae.com/singlefamily/uniform-residential-loan-application

✉ Email us at:
ULAD@fanniemae.com

The screenshot shows the Fannie Mae website interface. At the top is the Fannie Mae logo and a search bar. Below is a navigation menu with categories: Single-Family, Originating & Underwriting, Pricing & Execution, Delivering, Servicing, Training, and Technology Solutions. The main content area is titled "Uniform Residential Loan Application" and includes a descriptive paragraph about the redesigned URLA. Below this are several sections: "Sign Up for Email Updates", "Related Links" (with links to UMDP and Guide Forms), "Related Applications" (with a link to Desktop Underwriter), "URLA Announcements" (with links to AUS Specification and Redesigned URLA and ULAD Mapping Document), "Getting Started with Redesigned URLA Form" (with links to Fact Sheet, Instructions, and Design Options), "Interactive URLA Form" (with a paragraph about fillable forms and links to Borrower Information and Additional Borrower Information), "What's New" (with links to Dynamic Redesigned URLA and Live Webinars), and "Frequently Asked Questions" (with a link to FAQs).



Fannie Mae™

Thank you for your participation

